



## Colorado Legislative Council Staff

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December 2, 2013

**TO:** Capital Development Committee

**FROM:** Kori Donaldson, Principal Research Analyst, 303-866-4976

**SUBJECT:** FY 2014-15 Capital Construction Requests and Projected Available Revenue

### MEMORANDUM

#### Summary

This memorandum provides an overview of projected revenue available in FY 2014-15 for capital construction and controlled maintenance projects. It also summarizes the state-funded capital construction requests for FY 2014-15. Table 2 provides an overview of projected revenue versus requests for capital projects in FY 2014-15. Table 2 shows a \$566.7 million revenue shortfall to fund all capital requests.

#### Revenue

As of December 2, 2013, there is projected to be about \$2.5 million available for FY 2014-15 capital construction projects from the Capital Construction Fund (CCF). Of this amount, \$1.4 million comes from the uncommitted fund balance from prior fiscal years. Additional funds come from projected CCF interest earnings in FY 2013-14. The Governor's Office of State Planning and Budgeting (OSPB) recommended a General Fund transfer of \$199.3 million to fund capital projects for FY 2014-15 in the November 1, 2013, budget submission to the Joint Budget Committee.

#### Requests

**State-funded requests.** As of December 2, 2013, there are 51 state-funded capital construction requests for FY 2014-15, including 18 from state departments and 33 from higher education institutions. Table 1, beginning on the next page, lists the number of projects, by type, and the associated total request amounts.

**Table 1**  
**FY 2014-15 State-Funded Capital Construction Requests**

<b>Project Type</b>	<b>Number of Projects</b>	<b>Amount (in millions)</b>
Capital renewal projects	6	\$59.9
COP payments	3	\$44.3
Higher education projects	27	\$281.1
State department projects	15	\$96.8
<b><i>Subtotal: Capital Construction</i></b>	<b>51</b>	<b>\$482.1</b>
Controlled maintenance, level 1	37	\$25.8
Controlled maintenance, level 2	54	\$38.7
Controlled maintenance, level 3	36	\$22.6
<b><i>Subtotal: Controlled Maintenance</i></b>	<b>127</b>	<b>\$87.1</b>
<b><i>Grand Total: Capital Construction and Controlled Maintenance</i></b>	<b>178</b>	<b>\$569.2</b>

In a letter dated November 1, 2013, OSPB recommended funding 19 state-funded projects for FY 2014-15, including 3 certificates of participation (COP) payments, the Level 1 Controlled Maintenance request (\$25.8 million), 5 continuation projects, and 10 new state projects. A General Fund transfer of \$198.1 million will be required in order to fully fund the OSPB recommendation.

**Cash-funded requests.** In addition to the 51 state-funded projects requested for FY 2014-15, there are 15 cash-funded requests, including 1 Judicial Branch and 14 state department requests. Higher education cash-funded requests are submitted separately, and are not calculated in the FY 2014-15 total cash-funded request amounts. The total cash funds requested for all projects is \$186.1 million, including \$0.5 million from off-the-top moneys from the Highway Users Tax Fund (HUTF). An additional \$3.8 million is requested in federal funds spending authority. The total cash and federal funds request amount for projects funded solely from cash sources, excluding the cash and federal fund components of the various state-funded requests, is \$66.2 million.

More specific information about any of the state- or cash-funded requests is available upon request to Legislative Council Staff.

**Table 2**  
**FY 2014-15 Capital Construction Fund (CCF) Revenue**  
**and State-Funded Capital Requests**

<b>REVENUE</b>	
<i>CCF Balance – July 1, 2013</i>	<b>\$1,391,000</b>
Projected FY 2013-14 CCF interest	1,100,000
<i>Projected CCF Balance – July 1, 2014</i>	<b>\$2,491,000</b>
<b>REQUESTS</b>	
<b>State Departments</b>	
<i>Centennial Correctional Facility COP Payment</i>	\$18,426,771
<i>Department of Higher Education COP Payment*</i>	18,587,556
<i>Capital Renewal Requests</i>	29,927,432
<i>Information Technology Requests</i>	70,577,537
<i>Regular Capital Requests</i>	26,211,796
<b>Subtotal - State Department Projects</b>	<b>\$163,731,092</b>
<b>Higher Education</b>	
<i>Anschutz COP Payment</i>	\$7,290,738
<i>Capital Renewal Requests</i>	29,956,142
<i>Regular Capital Requests</i>	281,159,835
<b>Subtotal - Higher Education Projects</b>	<b>\$318,406,715</b>
<b>Controlled Maintenance (state departments and higher education institutions)</b>	
<i>Level 1 (37 projects)</i>	\$25,746,381
<i>Level 2 (54 projects)</i>	38,745,295
<i>Level 3 (36 projects)</i>	22,581,263
<b>Subtotal - Controlled Maintenance Projects</b>	<b>\$87,072,939</b>
<b>TOTAL - Requests</b>	<b>\$569,210,746</b>
<b>SURPLUS / (SHORTFALL)</b>	<b>(\$566,719,746)</b>

\*The source of revenue identified for this COP payment is moneys earned from federal mineral leasing. Projections included in the September 20, 2013, Legislative Council Staff economic forecast indicate that there will not be sufficient moneys available from this source to make the FY 2014-15 payment; therefore, the project is being requested from state funds.